

Idaho State Tax Commission
INCOME TAX RULES COMMITTEE
Meeting Minutes
April 3, 2013
1:30 pm – 3:00 pm, 1CR5

ATTENDEES: Cynthia Adrian, Greg Busmann, Terry Harvey, April Kooch, Lisa Schroeder, Phil Skinner, Aaron Stevens, Steve Wynn, Sherry Cann, Michael Chakarun, Tawnya Nyman (via phone), and John McGown (Dawn Justice attended a portion of the meeting)

OLD BUSINESS: Minutes of the February 20, 2013 committee meeting were approved.

Legislative Update: Michael Chakarun gave a legislative update on the following bills:

- HB1 – conformity
- HB2 – Ponzi loss, tax benefit
- HB13 – Identity theft
- HB4 – Technical corrections
 - Home improvements
 - Donations
 - Widow/widower
 - Cross references add
- HB22 – Split monthly withholding
- HB72 – Tax credit to dedicated accounts within the Idaho Community Foundation, charitable donations
- HB86 – No longer required to send NODD by certified mail
- HB139 – Guaranteed payments
- HB184 – NOL (net operating loss)

It was noted that Cynthia will make sure that any legislation that has passed is posted on our sharepoint site, and invites the committee members to help review the legislation posted.

Rule 600 Rule 600 addresses entities included in a combined report. This is in regards to real estate mortgage investment conduits and how REMIC excess inclusion income is handled. Phil reviewed his findings on this rule, and said it needed changing at the statute level, rather than the rule level.

Rule 805 Rule 805 addresses joint returns. The rule is not consistent with the statute that states that husbands and wives must file a joint return for state purposes if they elect to file a joint return for federal purposes. The question of who may file a joint return arises around same-sex marriages. One states ‘*married taxpayers*’

and the other states '*husband and wife*'. Cynthia handed out some proposed language that she prepared for this rule. She spoke with Ed Hawley in the Dept of Administration, and he said it was fine to put a code reference in the heading.

DISCUSSION DRAFTS:

- Rule 40 This rule has to do with the place of abode definition as stated in section 63-3013 and 63-3013(a) Idaho Code. Sub section 3 – Cynthia added a line to make the wording more positive: “this definition only applies for purposes of...”
- Rule 714. Idaho Investment Tax Credit: Credit earned on property used both in and outside Idaho in taxable years beginning on or after January 1, 1995. This regards changes to last year’s HB 438 involving credit carryovers.

NEW BUSINESS: A new rule submittal form is available for all committee members to use. This mirrors the in-house legislative idea form.

John McGown discussed the submittal he made regarding retroactivity on rules. Interpreting existing statutes that have been in place for a while 67-5224(5)(a). Phil added more clarity to this issue, and feels this is beyond the Rules committee ability to decide this. Cynthia assured the committee, and John, that the issue would not be dropped, but that someone, perhaps Mike or Phil could continue looking into it by taking it up with the Commissioners to see what more can be done at that level.

Doug Lamb’s form will be discussed at the May 8th meeting.

ADJOURNMENT: There being no further business, the meeting was adjourned.

Cynthia Adrian
Chairman

Sherry Cann
Rules Coordinator